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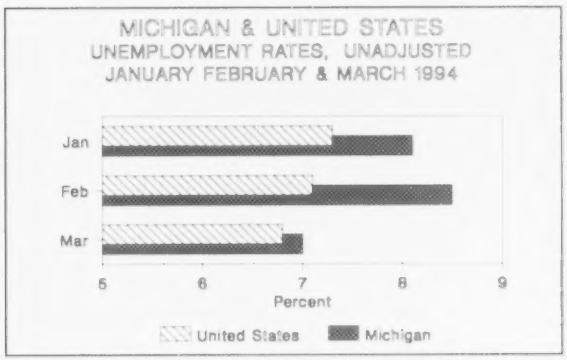
MICHIGAN'S

LABOR MARKET NEWS

Volume 50 Number 3 ***May 1994***

MICHIGAN'S JOBLESS RATE DECLINES IN MARCH

The unemployment rate in Michigan fell by 1.5 percentage points as the jobless rate tumbled from 8.5 percent in February to 7.0 percent in March (unadjusted). The number of unemployed individuals dropped by 72,000 over the month to total 330,000, while total employment advanced by 29,000 to 4,376,000. The labor force receded by 43,000 during the month to 4,706,000, dropping from unusually high levels in January and February and returning to totals that are normal for this time of the year. The U.S. unemployment rate also dropped in March and settled at 6.8 percent, down from 7.1 percent in February.



Despite fluctuations in the unemployment rates observed for Michigan and other states in the first quarter of 1994, BLS reports that the nation's labor market continued to improve during March. Payroll employment has been growing steadily, and taking survey changes into account, recent jobless rates have dropped considerably over the past year.

WAGE AND SALARY EMPLOYMENT EXPANDS

Total wage and salary employment in Michigan headed up, as industry jobs advanced to 4,022,200 in March. Employment opportunities increased by 32,000 as gains were centered in both the service producing and goods producing sectors. Service producing employment advanced by 25,200, mainly due to seasonal gains in retail trade and services, as winter began to lose its grip. State and local education reported some gains due to the conclusion of spring break. Goods producing jobs moved up by 6,800, mainly as a result of scattered gains in the transportation and related industries.

In March, the average workweek in the state's manufacturing industries was reduced to 44.6 hours from 44.3 hours the previous month. The loss was due to fewer hours of overtime work in the automotive and related industries. During the month, average hourly earnings declined by 2 cents to $15.96. As a result, average weekly earnings in manufacturing reached $711.82, a drop of $3.91 over February's total.

HOURS AND EARNINGS
MICHIGAN

	Average Hourly Earnings		Average Weekly Hours	
	1994		1994	
	Mar.	Feb.	Mar.	Feb.
Manufacturing	15.96	15.98	44.6	44.3
Durables	16.96	17.00	45.3	45.0
Motor Vehicles	20.68	20.70	46.5	46.1
Nondurables	12.75	12.69	42.5	42.3

MICHIGAN EMPLOYERS TO RECEIVE FUTA PENALTY TAX CREDIT

* During 1994, most state employers will receive a tax credit of nearly $39 per employee because of **FUTA** penalty taxes they had to pay during 1993. The **FUTA** (Federal Unemployment Tax Account) penalty taxes were imposed on Michigan's employers by the U.S. Department of labor, in order to pay a federal debt of $213 million outstanding at the end of 1992.

* The 1993 **FUTA** penalty tax amounted to 1.1 percent on the first $7,000 of each employee's wages, up to $77 per worker. The entire debt was retired during 1993, as the IRS collected $239 million in penalty taxes, over $25 million above the total required.

* Michigan will allow employers to claim 50 percent of their **FUTA** penalty taxes as a credit on their state unemployment insurance (UI) taxes, resulting in as much as a $38.50 credit per employee in 1994. Total savings to employers are expected to be about $98 million in credits this year. The Michigan Employment Security Commission (MESC) mailed tax credit applications to approximately 133,400 employers who are potentially eligible to claim a credit on their 1994 UI taxes.

* In order to qualify for this credit, employers must have a positive balance in their state unemployment account. Negative balance employers can also qualify for the credit if they eliminate their negative balance through a voluntary tax payment.

* For more information on the MESC tax credit employers may call **MESC's Tax Office at (313) 876-5135**

EMERGENCY UNEMPLOYMENT COMPENSATION (EUC) STATUS REPORT

* The **EUC** program ended on February 5, 1994 for new claimants.

* The last compensable week under this program will be April 30, 1994. **EUC** claims established before February 5, will continue to be paid through April 30, 1994.

* **EUC** benefits totalled $1.4 billion from November 1991 through April 16, 1994.

	Michigan (Data in Thousands)		
	Mar 1994	Feb 1994	Mar 1993
Place of Residence			
Labor Force	4,706	4,749	4,570
Employment	4,376	4,347	4,244
Unemployment	330	402	327
Rate (Percent)	7.0	8.5	7.1
Place of Work			
Total Employment	4,022	3,990	3,925
Goods Producing	1,051	1,044	1,017
Const. & Mining	125	122	119
Manufacturing	926	922	898
Durable Goods	690	687	669
Primary Metals	37	37	36
Fabricated Metals	120	119	116
Trans. Equip.	292	291	281
Nondurable Goods	236	235	229
Food & Kindred	41	41	42
Other Nondurable	195	194	187
Service Producing	2,972	2,946	2,908
Tran. Comm. Util.	155	155	153
Wholesale Trade	197	196	197
Retail Trade	731	726	713
General Merch.	117	117	115
Eating & Drinking	260	255	252
Fin. Ins. Real Est.	192	191	191
Finance	90	90	88
Services	1,032	1,023	993
Business Services	211	206	195
Health Services	333	333	328
Other Services	488	484	470
Government	665	656	661
Federal	56	56	57
State	172	172	170
Local	437	428	434
Labor Disputes	0.2	0.4	0.1

Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Benton Harbor			Detroit (Data in Thousands)		
	Mar 1994	Feb 1994	Mar 1993	Mar 1994	Feb 1994	Mar 1993	Mar 1994	Feb 1994	Mar 1993
Place of Residence									
Labor Force	279,400	281,600	272,500	82,000	82,900	79,700	2,114	2,131	2,065
Employment	267,400	266,200	259,500	76,100	75,500	73,700	1,976	1,962	1,919
Unemployment	12,000	15,500	12,900	5,900	7,300	6,000	138	169	145
Rate (Percent)	4.3	5.5	4.8	7.2	8.8	7.5	6.5	7.9	7.0
Place of Work									
Total Employment	248,700	247,600	243,700	67,300	66,700	65,900	1,896	1,884	1,853
Construction & Mining	5,700	5,800	5,400	1,600	1,600	1,500	52	51	49
Manufacturing	53,700	53,400	51,900	20,300	20,300	20,000	428	426	412
Tran., Comm. & Utilities	5,300	5,300	5,600	2,800	2,800	2,700	84	84	83
Wholesale Trade	7,400	7,300	7,300	2,200	2,200	2,100	111	111	112
Retail Trade	39,700	39,700	39,100	11,900	11,700	11,400	332	331	329
Fin., Ins. & Real Estate	9,300	9,200	9,100	2,600	2,600	2,500	107	107	107
Services	55,700	55,700	54,600	16,500	16,500	16,200	542	537	525
Government	71,800	71,300	70,600	9,400	9,100	9,400	239	236	236
Labor Disputes	0	0	0	0	0	0	0.1	0.3	0

	Kalamazoo - Battle Creek			Lansing			Saginaw - Bay - Midland		
	Mar 1994	Feb 1994	Mar 1993	Mar 1994	Feb 1994	Mar 1993	Mar 1994	Feb 1994	Mar 1993
Place of Residence									
Labor Force	225,400	227,100	219,600	236,000	237,400	230,700	192,200	194,100	186,400
Employment	211,900	210,900	207,300	224,200	222,900	219,300	177,300	176,600	173,000
Unemployment	13,500	16,200	12,300	11,800	14,500	11,300	14,900	17,600	13,400
Rate (Percent)	6.0	7.1	5.6	5.0	6.1	4.9	7.8	9.0	7.2
Place of Work									
Total Employment	196,400	195,600	194,400	216,100	215,600	214,600	162,900	162,300	160,800
Construction & Mining	5,700	5,700	5,700	5,700	5,600	5,600	5,900	5,800	6,400
Manufacturing	49,200	49,200	49,000	29,400	29,100	28,000	40,400	40,700	40,400
Tran., Comm. & Utilities	6,200	6,100	6,100	6,200	6,200	6,200	6,400	6,400	6,400
Wholesale Trade	6,700	6,500	6,600	8,000	7,900	7,800	6,200	6,200	6,200
Retail Trade	35,800	35,600	35,000	39,000	39,000	38,500	33,600	33,800	33,500
Fin., Ins. & Real Estate	10,400	10,300	10,200	12,000	12,100	12,100	6,200	6,300	6,100
Services	46,700	46,500	45,900	47,600	47,200	47,700	41,000	40,500	39,600
Government	35,800	35,700	35,800	68,300	68,400	68,800	23,200	22,800	22,100
Labor Disputes	0	0	0	0	0	0	0	0	0

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids - Muskegon			Jackson		
	Mar 1994	Feb 1994	Mar 1993	Mar 1994	Feb 1994	Mar 1993	Mar 1994	Feb 1994	Mar 1993
Place of Residence									
Labor Force	196,800	199,200	192,200	516,600	520,100	501,500	73,800	74,500	70,600
Employment	179,100	177,700	174,500	487,900	484,700	472,100	68,300	67,800	65,200
Unemployment	17,700	21,500	17,700	28,700	35,400	29,300	5,500	6,600	5,400
Rate (Percent)	9.0	10.8	9.2	5.6	6.8	5.8	7.4	8.9	7.7
Place of Work									
Total Employment	164,900	163,900	163,100	470,000	466,800	457,200	55,800	55,400	54,200
Construction & Mining	3,900	3,900	4,100	17,700	16,900	16,700	1,600	1,600	1,500
Manufacturing	45,900	45,300	45,300	137,400	137,000	133,000	12,700	12,700	12,100
Tran., Comm. & Utilities	4,400	4,300	4,600	16,900	16,700	16,500	3,600	3,600	3,500
Wholesale Trade	6,800	6,800	7,100	29,400	29,500	29,000	2,200	2,200	2,100
Retail Trade	31,500	31,400	31,700	82,100	81,700	81,400	11,200	11,100	10,800
Fin., Ins. & Real Estate	6,200	6,200	6,100	19,100	19,100	18,900	1,900	1,900	1,800
Services	41,600	41,400	39,400	114,200	113,300	109,100	12,400	12,200	11,900
Government	24,800	24,500	24,800	53,300	52,600	52,500	10,400	10,200	10,400
Labor Disputes	0	0	0	0	0	0	0	0	0

	Upper Peninsula			Grand Traverse LMA			Houghton-Keweenaw LMA		
	Mar 1994	Feb 1994	Mar 1993	Mar 1994	Feb 1994	Mar 1993	Mar 1994	Feb 1994	Mar 1993
Place of Residence									
Labor Force	149,300	151,800	141,700	63,700	64,100	60,100	17,700	17,600	17,200
Employment	132,500	131,900	126,900	58,300	57,800	55,200	15,800	15,600	15,500
Unemployment	16,700	20,000	14,800	5,500	6,300	4,900	1,900	2,000	1,700
Rate (Percent)	11.2	13.2	10.4	8.5	9.8	8.1	10.9	11.3	9.6
Place of Work									
Total Employment	118,300	117,900	115,000	50,900	50,500	48,800	13,800	13,800	13,600
Construction & Mining	6,400	6,400	6,500	4,300	4,200	4,200	500	400	400
Manufacturing	15,100	15,000	14,800	7,100	7,100	6,900	900	900	900
Tran., Comm. & Utilities	5,200	5,200	5,200	1,800	1,800	1,800	400	400	400
Wholesale Trade	3,200	3,200	3,200	1,900	1,800	1,800	200	250	250
Retail Trade	24,000	23,900	22,900	11,300	11,100	10,700	3,100	3,100	3,100
Fin., Ins. & Real Estate	4,200	4,200	4,200	2,100	2,100	2,000	600	600	600
Services	25,000	24,800	23,500	14,900	14,900	14,000	2,600	2,600	2,700
Government	35,200	35,200	34,900	7,600	7,500	7,500	5,600	5,600	5,400
Labor Disputes	0	0	0	0	0	0	0	0	0

MAJOR LABOR MARKET AREAS

MARCH JOBLESS RATE DROPS IN ALL MAJOR LABOR MARKETS

Employment increases across the state caused unemployment rates to drop in all ten of Michigan's major labor markets during the month of March. The unemployment declines were significant, as the jobless rate in each labor market area fell by more than a percentage point. The ten major labor markets also recorded reductions in their labor force.

Among Michigan's major areas, Ann Arbor continued to show the lowest unemployment rate at 4.3 percent, followed by Lansing and Grand Rapids-Muskegon-Holland areas with 5.0 and 5.6 percent, respectively. The Upper Peninsula had the largest unemployment drop in March, as its jobless rate fell two points to 11.2 percent from 13.2 percent in February. The decline still left the 15-county area with the highest unemployment rate among Michigan's major labor markets. The rate decline in the Upper Peninsula is attributed to scattered seasonal job gains in several service producing industries.

WAGE AND SALARY EMPLOYMENT UP IN ALL AREAS

Total March wage and salary employment advanced in all the major labor market areas. Employment gains were reflected in both the service producing and goods producing sectors of the economy. Gains in the service producing industries were concentrated primarily in retail trade (eating and drinking places) and services (business services). Seasonal advances were also reported by state and local government, as many educational facilities recalled their support personnel following spring break. In the goods producing industries, employment expanded primarily in the construction industry, following the improvement of the weather, and in the automotive and related industries. All major labor market areas experienced small employment gains, with Benton Harbor experiencing the largest percentage gain at 0.9 percent, followed by Grand Rapids and Jackson at 0.7 percent.

During March, the average hourly earnings in the manufacturing industries increased in six out of the ten major metropolitan statistical areas in Michigan. The gains were due mostly to advances in the durable goods industries. The average workweek moved up in seven of the major metropolitan areas over the month, causing average weekly earnings in all areas but two to rise. The largest gains were reflected in Kalamazoo and Lansing with increases of $32.80 and $20.19, respectively.

MANUFACTURING HOURS AND EARNINGS
Major Labor Market Areas
February and March 1994

Area	Average Weekly Hours		Average Weekly Earnings		Average Hourly Earnings	
	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
Ann Arbor	45.6	45.1	750.58	739.64	16.46	16.40
Benton Harbor	42.8	42.8	496.48	495.20	11.60	11.57
Detroit	46.6	46.2	798.72	793.72	17.14	17.18
Flint	46.4	46.0	996.67	984.86	21.48	21.41
Grand Rapids	43.3	42.8	565.50	562.82	13.06	13.15
Jackson	43.5	43.6	495.90	497.91	11.40	11.42
Kalamazoo	45.4	44.0	692.80	660.00	15.26	15.00
Lansing	43.5	42.6	749.50	729.31	17.23	17.12
Saginaw	44.2	43.8	805.32	797.16	18.22	18.20
Upper Peninsula	40.7	41.0	455.84	463.71	11.20	11.31

COMPARATIVE EMPLOYMENT STATUS OF WORKING AGE POPULATION IN 10 COUNTRIES*

STATUS AND COUNTRY	1986	1987	1988	1989	1990	1991	1992
Civilian Labor Force							
(In Thousands)							
United States	117,834	119,865	121,669	123,869	124,787	125,303	126,982
Canada	12,746	13,011	13,275	13,503	13,681	13,757	13,797
Australia	7,588	7,758	7,974	8,237	8,459	8,534	8,627
Japan	59,410	60,050	60,860	61,920	63,050	64,280	65,040
France	23,760	23,890	23,980	24,170	24,300	24,480	24,580
Germany	28,240	28,390	28,610	28,840	29,440	29,820	30,070
Italy	22,290	22,350	22,660	22,530	22,660	22,940	22,830
Netherlands	6,370	6,500	6,530	6,630	6,770	6,860	6,930
Sweden	4,443	4,480	4,540	4,599	4,642	4,626	4,534
United Kingdom	27,380	27,720	28,150	28,420	28,540	28,400	28,280
Unemployment Rate							
United States	7.0	6.2	5.5	5.3	5.5	6.7	7.4
Canada	9.5	8.8	7.8	7.5	8.1	10.3	11.3
Australia	8.1	8.1	7.2	6.2	6.9	9.6	10.8
Japan	2.8	2.9	2.5	2.3	2.1	2.1	2.2
France	10.6	10.8	10.3	9.6	9.1	9.6	10.4
Germany	6.6	6.3	6.3	5.7	5.0	4.4	4.7
Italy	7.5	7.9	7.9	7.8	7.0	6.9	7.3
Netherlands	9.9	10.0	9.3	8.4	7.5	7.0	6.6
Sweden	2.6	1.9	1.6	1.3	1.5	2.6	4.7
United Kingdom	11.2	10.3	8.6	7.3	6.9	8.8	10.0

*** Approximating U.S. Concepts**

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